

# State of Minnesota

## 2008 Capital Budget Highlights

### Department of Finance & Employee Relations

In even-numbered years, the legislature considers new capital projects. In the 2008 session, the legislature authorized a total of \$1.027 billion in new spending for capital projects in three separate pieces of legislation (Chapters 152, 179 and 365). An additional \$1.8 billion of trunk highway supported debt was also authorized (Chapter 152), but this debt is supported by trunk highway funds and is not included in the figures below.

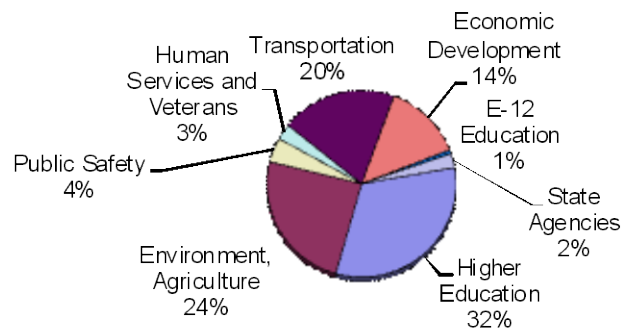
The total amount of new general fund supported state general obligation debt is \$882.5 million. In addition, other capital projects were authorized using other repayment sources, including \$56.9 million from user financed bonds, \$48.2 million from federal pass-through money for transportation projects, \$25 million from revenue bonds for landfill cleanup, and \$14.4 million from general fund cash revenues.

#### Capital Projects by Policy Area

(\$ in millions)

Higher Education	\$339
Environment, Agriculture	257
Public Safety	45
Human Services, Veterans	29
Transportation	208
Economic Development	143
E-12 Education	7
State Agencies	26
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	<b>\$1,054</b>
less cancellations	(27)
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<b>Total new spending</b>	<b>\$1,027</b>

#### Distribution of Projects



#### Key Projects Include:

##### Higher Education

###### University of Minnesota

- \$35 million for asset preservation at the University of Minnesota campuses
- \$48.3 million for the state share of a new science teaching and student services building on the University's Minneapolis campus
- \$15 million for the state share of an engineering addition on the Duluth campus and a community services building renovation on the Morris campus
- Dedicated multi-year funding commitment for up to four new bioscience facilities (see Other Investment section)

###### Minnesota State Colleges and Universities (MnSCU)

- \$55 million for asset preservation at MnSCU campuses statewide
- \$74.2 million to construct or renovate science classroom additions and buildings at MnSCU campuses statewide
- \$24.4 million to construct two law enforcement training facilities
- \$4.3 million to design future construction and remodeling projects at ten MnSCU campuses statewide

##### Environment, Agriculture, and Natural Resources

- \$33.9 million for flood hazard mitigation projects in flood-prone areas of the state
- \$46 million for conservation related land acquisition and easements
- \$16 million for acquisition and development of state and regional trails and trail connections
- \$15 million for metropolitan parks and trails
- \$40 million for state park renovation, including \$20 million for acquisition and development of Vermilion State Park

- \$50 million for public drinking water, wastewater and clean water projects and grants
- \$25 million in revenue bonds for mitigating environmental impacts of closed landfills

### **Public Safety**

- \$16 million for the Phase III expansion of the Faribault prison
- \$10 million for asset preservation of correctional facilities

### **Human Services and Veterans**

- \$6.4 million for system wide asset preservation and redevelopment projects at DHS campuses
- \$8 million for asset preservation projects at Veterans Homes campuses, including upgrading the HVAC at the main residential care building on the Minneapolis campus
- \$10.1 million to demolish an existing building, and for the state share of a new 100-bed nursing facility on the Minneapolis campus

### **Transportation <sup>1</sup>**

- \$55 million for the state share of Urban Partnership agreements to improve transportation and transit in the I-35W and Cedar Avenue corridors
- \$70 million for the Central Corridor LRT transitway between Minneapolis and St. Paul
- \$4 million to continue Bus Rapid Transit development projects along the Cedar Avenue corridor
- \$60 million for local bridge and local road projects

### **Economic Development and Housing**

- \$14.8 million for business and redevelopment grants to communities around the state
- \$28 million for infrastructure to support a new steel plant in Itasca county
- \$9 million for grants to develop infrastructure for the bioscience industry
- \$10 million for historic site preservation, including Fort Snelling
- \$74.5 million to support the construction of regional indoor ice event centers in Bemidji, Crookston, Duluth, and St. Cloud

### **Education**

- \$2.8 million for asset preservation, building predesign and renovation at the Minnesota State Academies
- \$2 million for the Osseo school district to construct phase II of the Northwest Hennepin Family Service Center

### **State Agencies**

- \$6 million for asset preservation and hazard reduction at military training facilities across the state
- \$13.4 million for restoration and renovation of the Minnesota State Capitol
- \$3.4 million for the statewide Capital Asset Preservation and Replacement Account (CAPRA)

### **Other Investments**

Chapter 179 also enacted two long-term commitments of future general fund appropriations for capital projects:

- up to \$219 million in payments to the University of Minnesota, made over 25 years; these payments are the state's share of debt service on a \$292 million biomedical research complex financed by University-issued bonds
- up to \$2.4 million per year to the Minnesota Housing Finance Agency (MHFA) to cover debt service costs on up to \$30 million of nonprofit bonds for supportive housing projects sold by MHFA

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<sup>1</sup> Chapter 152 also makes a multi-year authorization totaling \$1.8 billion in trunk highway bonding supported debt. Purposes include a trunk highway bridge improvement program, interchanges, transit facility improvements, the Urban Partnership Agreement (UPA), a new Mankato district headquarters building for Mn/DOT, a new Chaska truck station and renovation of the exterior of the Mn/DOT Central Office building.